



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, UT 84631



In Reply Refer to:
3800
(U-010)
UTU-078275

May 5, 2003

CERTIFIED MAIL #7002 3150 0004 1702 1690
RETURN RECEIPT REQUESTED

WILLIAM PAPPAS
MEMBER-MANAGER
CAMBRILLIC NATURAL STONE
230 E BROADWAY
SLC UT 84111

Dear Mr. Pappas:

We have received the two mining plans you submitted to the Utah State Office of the BLM on April 29, 2003. Since one of those Plans of Operations (Plan), on the Billy Boy claims, has been approved pending the submission of a financial guarantee and establishment of an escrow account, we will consider the activity you propose to conduct at the nearby Spectrum quarry to be an amendment to that Plan.

You may begin work on the Billy Boy claims under the terms of the approved Plan as soon as the financial guarantee is approved, and the escrow account is established. We originally requested \$5000 for the financial guarantee. As the enclosed spreadsheet indicates, this amount would be sufficient for you to disturb up to 3 acres (including the existing disturbance at the site of Baron Trading's "camp" site), the threshold upon which the financial guarantee would have to be adjusted to provide for the increased acreage you propose to disturb.

We also originally required \$1000 for the initial amount to be deposited in the escrow account. However, due to a recent change in the 43 CFR 3600 regulations, that amount may need to be adjusted. As soon as the escrow account is established, we will begin a validity exam on the Billy Boy (UMC's 353656-8, 354029) and the Cambrillic (UMC's 366336-8) claims. Since much of the groundwork for the validity exam was done in the nearly-completed validity exam for the Jerry G (UMC's 353712-4) and the Spectrum (UMC's 46344-6) claims, it should take less than a year to complete the mineral report. Thus, the escrow account will be based on one year's production. The appraised price for the material is \$12.00 per ton. If you anticipate

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mining 2000 tons a year, the total price for one year will be \$24,000. You must pay 5% of that amount, or \$1200 upfront, then make monthly payments into the escrow for whatever you remove the previous month. The original \$1200 would apply to the last 100 tons of material removed.

However, the numbers we quote above are theoretical, since we could not find in your plan your anticipated annual production. Before you can establish your escrow account, you must provide that information.

In regards to the amendment to your proposed Plan, it will fall under the authority of the 43 CFR 3809 regulations that went into effect on January 20, 2001, as stipulated in § 3809.433(a):

"New facility. If you have an approved plan of operations on January 20, 2001, and you subsequently propose to modify your plan of operations by constructing a new facility, such as a waste rock repository, leach pad, impoundment, drill site, or road...then the plan contents requirement (Sec. 3809.401) and performance standards (Sec. 3809.420) of this subpart apply to the new facility. Those facilities and areas not included in the modification may continue to operate under the terms of your existing plan of operations."

You were given copies of the new 43 CFR 3809 regulations during your April 16, 2003 visit to this office. Your amendment is deficient in that it does not include the following Plan content requirements:

§3809.401(b)(1) Operator Information. You must provide your taxpayer identification and the BLM serial numbers of the mining claims where disturbance will occur. All the serial numbers provided in the amendment are for mining claims that have been declared abandoned and void.

§3809.401(b)(2)(i) The maps you have provided do not meet the requirements of this section. If you wish, we can meet you onsite and help you map your proposal through use of Global Positioning System equipment.

§3809.401(b)(2)(ii) There are no preliminary or conceptual designs for the quarry and waste rock facilities.

§3809.401(b)(2)(vii) There is no general schedule of activities from start to closure.

§3809.401(b)(3)(ii) There is no discussion of reclaiming and reshaping the quarry and waste dump.

§3809.401(b)(3)(vi) The topsoil storage site has not been designated.

§3809.401(b)(3)(vii) No provisions have been made for revegetation of the quarry.

§3809.401(b)(3)(ix) There is no discussion of removal of the buildings and other structures and facilities.

§3809.401(b)(5) There is no discussion of an interim management plan for periods of non-operation.

Your amendment also does not indicate the total acreage you propose to disturb. The original Plan proposed 4.99 acres, however, during the approval process, you withdrew the proposal for the road, which would have disturbed 36,000 sq. ft., or .83 acres. That leaves 4.16 acres proposed to be disturbed, which does not include the additional acreage that will be included with the amendment. Before you exceed five acres in disturbance, the Utah Division of Oil, Gas and Mining (UDOGM) must approve a Large Mine Plan for your operation, and you must submit a reclamation bond to that agency. The bond you submit to UDOGM would be jointly held by that agency and the BLM, and may fulfill your financial guarantee requirements under § 3809.500.

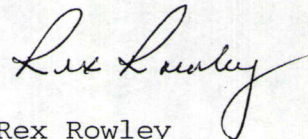
Failure to gain approval from UDOGM before exceeding five acres of disturbance would be a violation of § 3715-5(b). Your operation must conform with 43 CFR 3715-*Use and Occupancy Under the Mining Laws* (copy enclosed). Your proposal does not contain sufficient information about your proposed occupancy for us to determine whether it meets the standards of that subpart. Our preliminary determination is that your proposal may justify a small, portable watchman's trailer that could be removed during seasonal periods of non-operation. If your operation includes non-portable facilities that can't be removed during periods of non-operation, larger, more permanent living quarters might be justified. However, we would discourage you from placing permanent facilities on site for two reasons:

1. You do not have guaranteed access to water. In the past the BLM has sold water from the Antelope Springs standpipe for use at the Spectrum quarry. However, it is the BLM's discretion whether or not to sell water for mining purposes, and should conflicts with other water users arise, we may decide to terminate the sales for mining use.
Your mining plan does propose drilling a well in Section 22, T. 17 S., R. 13 W. However, the Utah Division of Water Rights database reveals that you have not appropriated water, nor are you authorized to drill in the area. In addition, most of Section 22 is within the Howell Peak Wilderness Study Area (WSA), and no surface disturbing activities can take place within the WSA. Your proposal to drill a well will not be considered until the Division of Water Rights approves an application to appropriate water, and you specify exactly where you intend to drill.
2. Should the validity exam and subsequent contest determination find that your claims are invalid, you are not guaranteed a contract that would allow you to continue to mine stone from the quarries under a mineral material sale.

Please submit the information required to complete your amendment to this office, as is required in § 3809.401(a). Also, please be aware that § 3809.411(c) mandates that we must allow a 30-day public comment period on your Plan amendment before approving it, so it would be to your benefit to submit the information as soon as possible, since it will be at least 30 days after it is received in this office before we could approve your proposal. By the time we receive this information, we hope to have advice from our solicitor on whether it would be appropriate for us to process the amendment, given the circumstance that the Interior Board of Land Appeals stayed previous activity at the Spectrum Quarry.

If you have any questions, please feel free to contact Sheri Wysong at (435) 743-3124.

Sincerely,



Rex Rowley
Field Office Manager

Enclosures:

Reclamation Cost Estimate
43 CFR 3715 Regulations

cc: Tom Munson, UDOGM (S/027/079)
Larry McCurdy, President, Unique Minerals, 18458 W Carter Circle,
Cedar Valley, UT 84103
Phil Levin, President, Levin Stone, PO Box 95, Ash Fork, AZ 86320